ASX Release: 31 January 2018 **ASX Code: VMC**

Venus Metals Corporation Limited
ACN 123 250 582

CORPORATE DIRECTORY

Mr Matthew Hogan
Non-Executive Chairman

Mr Kumar Arunachalam
Chief Executive Officer

Mr Terence Hogan
Non-Executive Director

CAPITAL STRUCTURE

Issued Shares (ASX: VMC):
76,764,693

Issued Options (ASX: VMCOA):
57,037,722

Market Cap: $10.74 million

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QUARTERLY REPORT

FOR PERIOD ENDING 31 DECEMBER 2017

Venus Metals Corporation Limited's activities conducted during the quarter ending 31st December 2017 include:

Youanmi Co-Ni-PGE Project:

- Reconnaissance RAB drilling of 77 holes for 1902m (Stage 1) at the Vidure, Malbec and Merlot prospects in the Currans Well area was completed.
- **Drilling intersected significant Co mineralization (>400ppm Co in 4-metre composite samples).** The current shallow drilling delineated mineralisation trends for future exploration at the Vidure, Malbec and Merlot prospects.
- An Aircore drilling program has commenced at the Stone Tank Bore and Estonia Prospects where historical drill holes intersected significant Co-Ni mineralisation **including 14m @ 0.10% Co & 0.81% Ni from 10m, and 12m of 0.17% Co & 0.55% Ni from 20m in two drill holes at Stone Tank Bore prospect, and 4m of 0.10% & 0.61% Ni from 27m** in a drill hole at Estonia prospect *(refer ASX releases dated 29 Nov and 5 Dec 2017, and 29 Jan 2018).*

Greenbushes East Li-Sn-Ta Project:

- VMC carried out geological mapping and reconnaissance surface sampling within an area of potassic alteration (>9 km^2) identified from regional radiometric data and associated with a NW trending major fault (*refer to ASX release dated 26 June 2017*).
- Most of the area is covered by soil and only a few pegmatite outcrops were located within the potassic alteration target area. One pegmatite rock chip sample (GB24-05) (416942E, 6246463N) returned 0.28% Li_2O and warrants follow-up mapping and sampling.
- In-house evaluation of the CSIRO-AGE database[1] has outlined a large Sn anomaly (approximately 4km x 3km with a maximum of 20 ppm Sn (by XRF) and open to the west) in lateritic residuum within the VMC tenement area. Additional laterite sampling is planned to identify the mineralized pegmatites.

Poona East Li- Sn-Ta Project:

- A 'Giant mineralised pegmatite', known as Jackson's Reward Pegmatite (c. 1.3km x 300m) was identified 20km east from the well-known lithium – tantalum mineralized pegmatites at Poona (*ASX Releases dated 11 Oct 2017 and 30 Oct 2017)*
- A recent review of historic company reports revealed geochemical data for some 500 stream sediment analyses by Pacminex Pty Ltd[2] and Newcrest Mining Ltd[3] from 1973 and 1992 respectively. Six high priority target areas for Lithium based on tin (Sn) anomalies were identified.
- A field programme of systematic soil sampling is scheduled to commence over the Jackson's Reward Pegmatite as well as selected Sn high priority areas to generate Lithium targets for RC drilling in the near future.

The exploration activities conducted by Venus Metals Corporation Limited (VMC) during the quarter ending 31st December 2017 are as detailed below:

1.0 Youanmi Co-Ni-PGE Project:

The Currans Well area, which includes the Vidure, Malbec and Merlot prospects (covering part of tenements E57/1011, E57/986 and P57/1365) and the Stone Tank Bore, Estonia and Penny West North prospects (E57/1019), is located on the southern margin of the Youanmi greenstone belt and also covers gabbroic rocks of the Youanmi intrusion. The area hosts several Ni, Cu, Au, Pt and Pd prospects including Vidure, Merlot and Malbec, with gossanous zones exposed at surface.

Work carried out during this quarter includes

- **RAB drilling (Stage1) at Currans Well**

A reconnaissance RAB drilling programme was carried out in November-December 2017. The drilling tested extensive areas of ferruginous lateritic duricrust, and mottled and saprolitic clays for supergene Co-Ni mineralization.

Drilling comprised 77 vertical RAB holes for a total of 1902 metres (Figure 1, Table 1) with 32 holes for 675m completed at Malbec (E57/1011 & PL57/1365), 25 holes for 758m completed at Vidure (E57/1011), and 20 holes for 469m finished at Merlot (E57/986). A total of 485 composite samples were analysed by Intertek Genalysis Laboratory, Perth, using a 4-acid digest and ICP-OES. 77 composite samples were also analysed for Au by fire assay.

The results show several significant (>400ppm Co) intercepts in 4-metre composite samples (Table 2). The area of mineralization appears to be associated with weathering and supergene enrichment of disseminated and massive sulphide in the gabbroic bedrock, and supergene enrichment of Ni and Co on ultramafic bedrock.

At **Vidure Prospect,** drilling of 25 holes (V22-V75) tested an area of approximately 600m x 500m, selected on the basis of historic drilling with intervals of anomalous Ni and Co mineralization. **Four-metre composite results show anomalous Co-Ni over an area of approximately 200m x 100m; there is potential to extend this area to the southwest along a gossan unit (based on historic mapping) for a further 200-300m.**

At **Malbec Prospect**, 32 drill holes (MA11-MA73) over an area of approximately 850m x 600m tested a historic Pt-Pd-Au-Cu-Ni prospect. **The results show a north-northwest trending, 200m x 50m large anomaly that is open to the south along a magnetic high.**

At **Merlot Prospect,** 20 holes tested an area of 400m x 600m (ME21-ME81). **Ni-Co mineralization was intersected in several holes and significant Co mineralization, encountered in drill hole ME72, is open to the north and south.**

It is planned to analyse selected one-metre RAB intervals for Ni, Co, Cu, Pt and Pd, then model and review all current and historic drill data. The outcomes will determine the extent of further work, possibly including some RC drilling to also test bedrock Ni-Cu targets.

- **Drilling targets (Stage 2) commenced at Stone Tank Bore and Estonia**

Recent data compilation of historical drill results has identified significant targets (Figure 2) beneath transported cover and laterite at Stone Tank Bore and Estonia *(ASX releases dated 29 Nov 2017 and 5 Dec 2017)*.

Stone Tank Bore is open to the north and south, and coincides with a magnetic lag anomaly. It comprises historic drill data[2] that reveal significant cobalt and nickel intercepts:

6YMA0066	**12m @ 0.17% Co & 0.55% Ni from 20m, including**
	4m @ 0.37% Co & 0.60% Ni from 20m, including
	1m @ 0.53% Co from 20m, and
	3m @ 0.13% Co & 0.58% Ni from 29m
6YMA0067	**14m @ 0.10% Co & 0.81% Ni from 10m, Including**
	8m @ 0.12% Co & 1.01% Ni from 10m, and
	1m @ 0.10% Co & 0.45% Ni from 23m

Estonia Target is a historic geochemical anomaly in magnetic surface lag measuring approximately 2 km along strike. Historic drilling shows several intercepts with significant cobalt and nickel values:

6YMA0093	**4m @ 0.10% Co & 0.61% Ni from 27m**
6YMA0086	**2m @ 0.09% Co & 0.83% Ni from 27m**
	1m @ 0.06% Co & 0.82% Ni from 34m

2.0 Greenbushes East Li-Sn-Ta Project:

VMC's Greenbushes Lithium Project exploration licences (E 70/4810 and E 70/4814) cover an area of 250km^2, adjoining the world-class Greenbushes Lithium-Tantalum mine. Within the tenement area,

pegmatite outcrops and subcrops have been located. Pegmatites are the principal host rock for lithium-tantalum-tin mineralisation in the region and an evaluation of VMC's project has delineated a number of priority targets within the tenement area.

A broad potassic-rich area (>9 km^2) has been identified from regional radiometric data; it is located south east of Talison Lithium's world-class Greenbushes Lithium-Tantalum mine. A northwest trending major fault is interpreted to be controlling Li-Ta-Sn mineralisation at the Greenbushes mine and this structure may extend into the potassium-rich target area in E70/4810 *(refer ASX release 26 June 2017 and 28 Sept 2017)*.

Work carried out during this quarter:

VMC completed local outcrop mapping and reconnaissance surface sampling. Several new pegmatite outcrops were located within densely vegetated parts of the tenements and 213 rock chip samples were collected, comprising pegmatite, granitic gneiss and mafic rock (Figure 3). The pegmatite and granite-gneiss outcrops are situated within the above mentioned broad potassic alteration zone.

All rock samples were analysed at the Nagrom Lab, Perth, for a multi-element suite using mixed acid digest with an ICP finish (MA02/ICP003_MS, ICP003_OES). Selected pegmatite samples were also analysed for LiO_2, Rb, Be and Cs using a peroxide fusion digest with an ICP-MS finish. The assay results show a maximum LiO_2 value of 0.28% (GB24-05 (416942E, 6246463N)).

An in-house evaluation of the CSIRO-AGE database (Grunsky, 1991 and GSWA, 1998) has outlined a large Sn anomaly (Figure 4) in lateritic residuum within the tenement area. The Sn anomaly, measuring approximately 4km x 3km with a maximum of 20 ppm Sn (by XRF), is open to the west and further laterite sampling is planned to extend the anomaly. In addition to this work, systematic soil and rock chip sampling is scheduled to explore out- and subcropping areas for mineralised pegmatites to identify suitable drill targets.

3.0 Poona East Li-Sn-Ta Project:

The Poona Project area is located in the Murchison Mineral Field, approximately 560 km to the north-northeast of Perth. VMC's two exploration licenses (E 20/885-Poona & ELA 20/896-Poona East) cover more than 249km^2 and the tenement area covers several documented lithium and tantalum occurrences including Patons Lode and Poona Reward.

Previous work by VMC Included rock chip sampling on E20/885 and returned high-grade lithium assays of up to 2.58% Li_2O (*refer to ASX release dated 6 Oct 2016*). Subsequent reconnaissance RC

drilling yielded anomalous Li and Rb intercepts including **9 metres @ 0.77% Li_2O and 0.28% Rb from surface** in PORC002, **including 3 metres @ 0.96% Li_2O and 0.35% Rb from 3 metres depth** (*refer to ASX release dated 23 Nov 2016).*

The wide-spaced drilling combined with rock chip results confirms a strike extent of the "Poona Trend" of more than 1,000m and a width of up to 250m. Importantly, this initial work has not adequately tested the prospect and further work is warranted.

Work carried out during this quarter at Poona-East includes

Field mapping has identified a giant outcropping pegmatite body, now known as the Jackson's Reward Pegmatite. It is approximately 1.3km long and 0.3km wide, with a potential strike extent of 3.5km indicated by numerous smaller pegmatite dykes and pods flanking the main pegmatite body and extending into areas of cover (Figure 5). Small beryllium workings have been identified within the central portion of the pegmatite which occurs largely as rubbly subcrop. The Jacksons Reward Pegmatite intrudes along a splay off a major northeast trending regional fault zone, the Big Bell Shear, which hosts the Big Bell 5M oz Au deposit 20km to the south.

The Jacksons Reward Pegmatite, located c. 20km from the well-documented lithium-tantalum mineralized pegmatites at Poona, defines the 97km^2 area of VMC's tenements as a new exploration province for these metals *(refer to ASX releases dated 11 Oct 2017 and 30 Oct 2017).*

A recent review of historic company reports reveals a total of some 500 stream sediment analyses by Pacminex Pty Ltd[2] and Newcrest Mining Ltd[3] from 1973 and 1992 respectively. Based on the historical tin (Sn) data from these surveys, **additional high-priority Lithium target areas** have been outlined and target areas for follow-up are shown in Figure 5.

A field programme of systematic geochemical sampling is scheduled to commence in February 2018 over the Jackson's Reward Pegmatite and selected anomalies to delineate potential targets for AC/ RC drilling in the near future.

Bibliography

[1]GEOLOGICAL SURVEY OF WESTERN AUSTRALIA, 1998, Laterite geochemistry of the Yilgarn Craton and Albany-Fraser Orogen: digital data from CSIRO-AGE: Western Australia Geological Survey, Record 1998/8, 13 p.

[1]Grunsky, E.C, 1991. Laterite Geochemistry in the CSIRO-AGE Database for the Albany-Fraser Region. CSIRO/AMIRA Laterite Geochemistry Project P240, Exploration Geoscience Restricted Report 161, 2 Volumes, 145 pp., 1 5.25" diskette.

[2]Horsley, M.R., 1973. Pacminex Pty Limited, Report on Exploration Temporary Reserve 5710H, Murchison Goldfield, Western Australia, WAMEX report a4098.

[3]Goldsworthy J.D., 1992. Newcrest Mining Limited, Milliwarry Project, EL20/154, Annual and Final Report, WAMEX report a35547.

Exploration Targets

The term 'Exploration Target' should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2012), and therefore the terms have not been used in this context.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Venus Metals Corporation Limited planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Venus Metals Corporation Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Resources is based on information compiled by Dr M. Cornelius, Geological Consultant of Venus Metals Corporation Ltd, who is a member of The Australian Institute of Geoscientists (AIG). Dr Cornelius has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Cornelius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is also based on information compiled by Mr Kumar Arunachalam, who is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of the Company. Mr Arunachalam has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Arunachalam consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

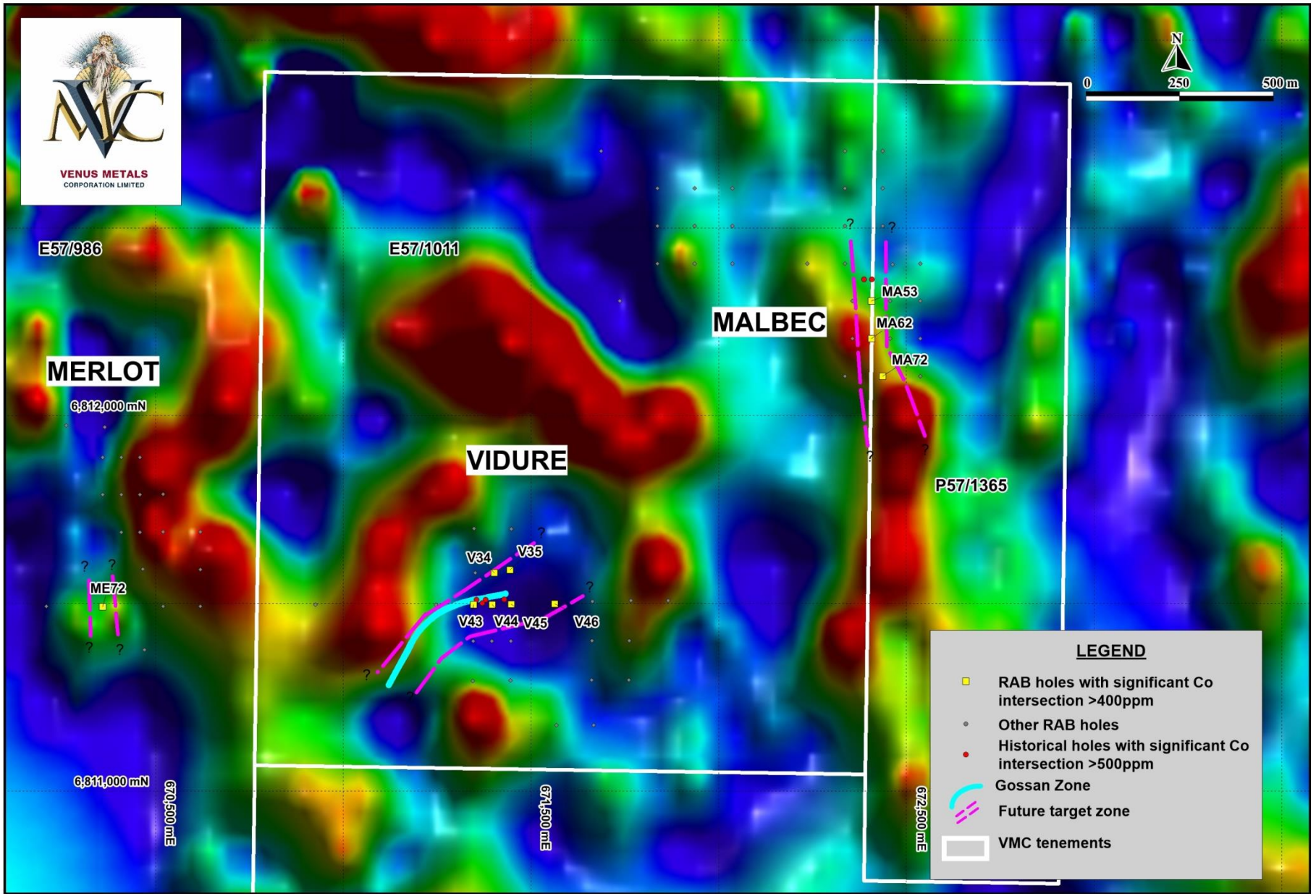

Figure1. Location of RAB holes with significant Co intersection at Currans Well area on 1VD aeromagnetic image.

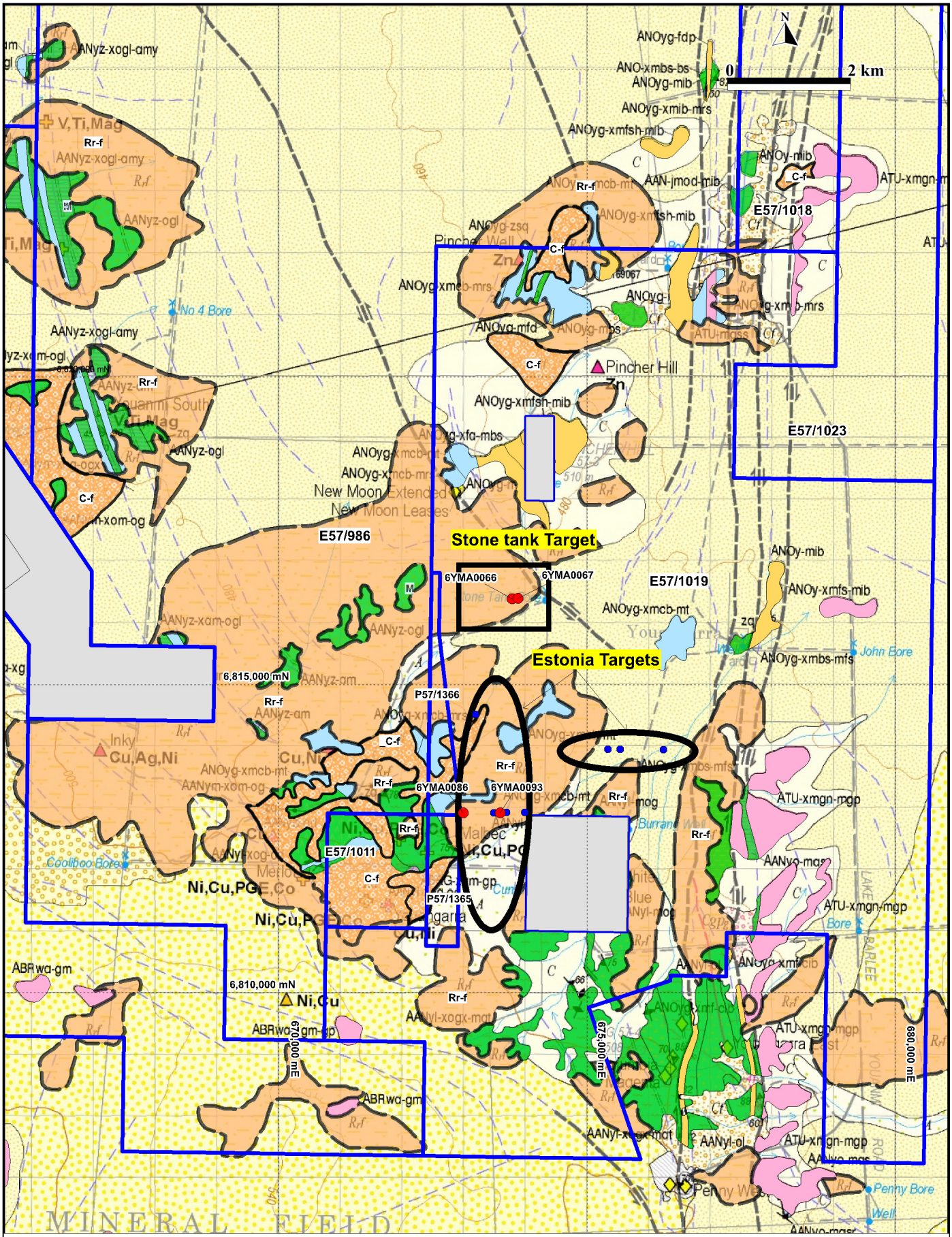

Figure 2. Location of aircore drilling at the Stone Tank Bore and Estonia Prospects on GSWA 100K Geology Map

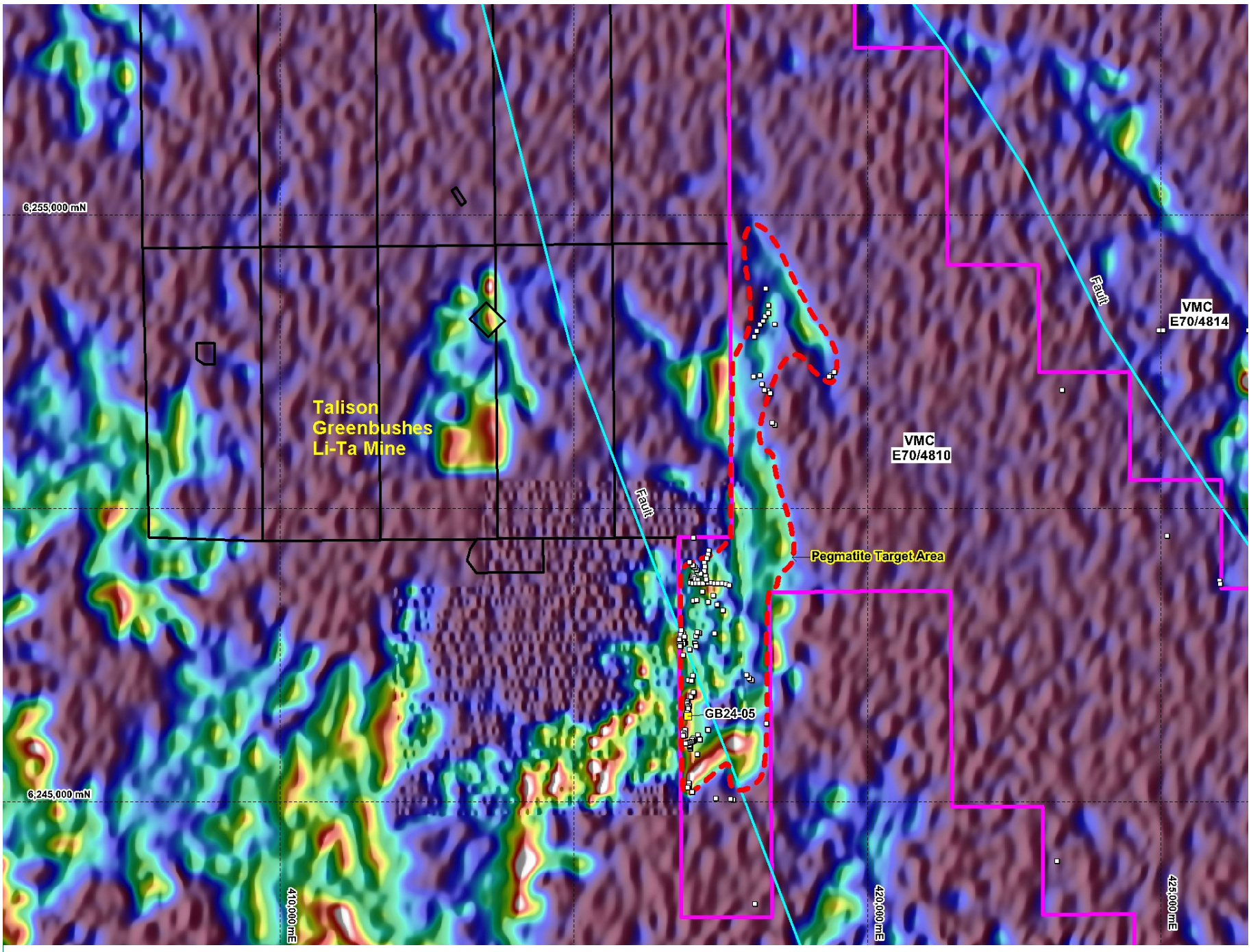

Figure 3. Location of Reconnaissance rock samples at Greenbushes Tenements shown on Potassic Alteration Map

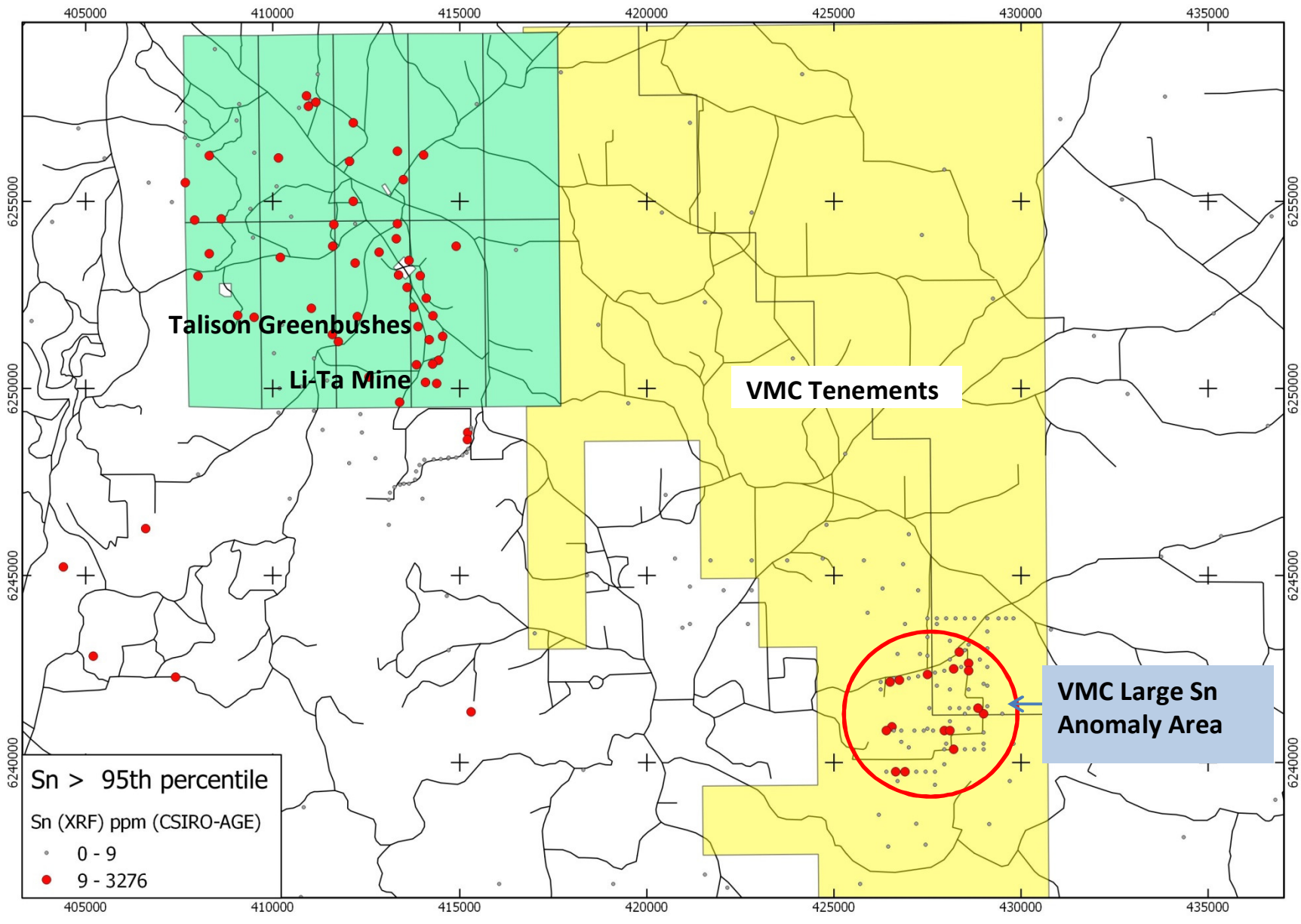

Figure 4. Location of historical Laterite samples (CSIRO-AGE) with anomalous Sn highlighted in Greenbushes Area

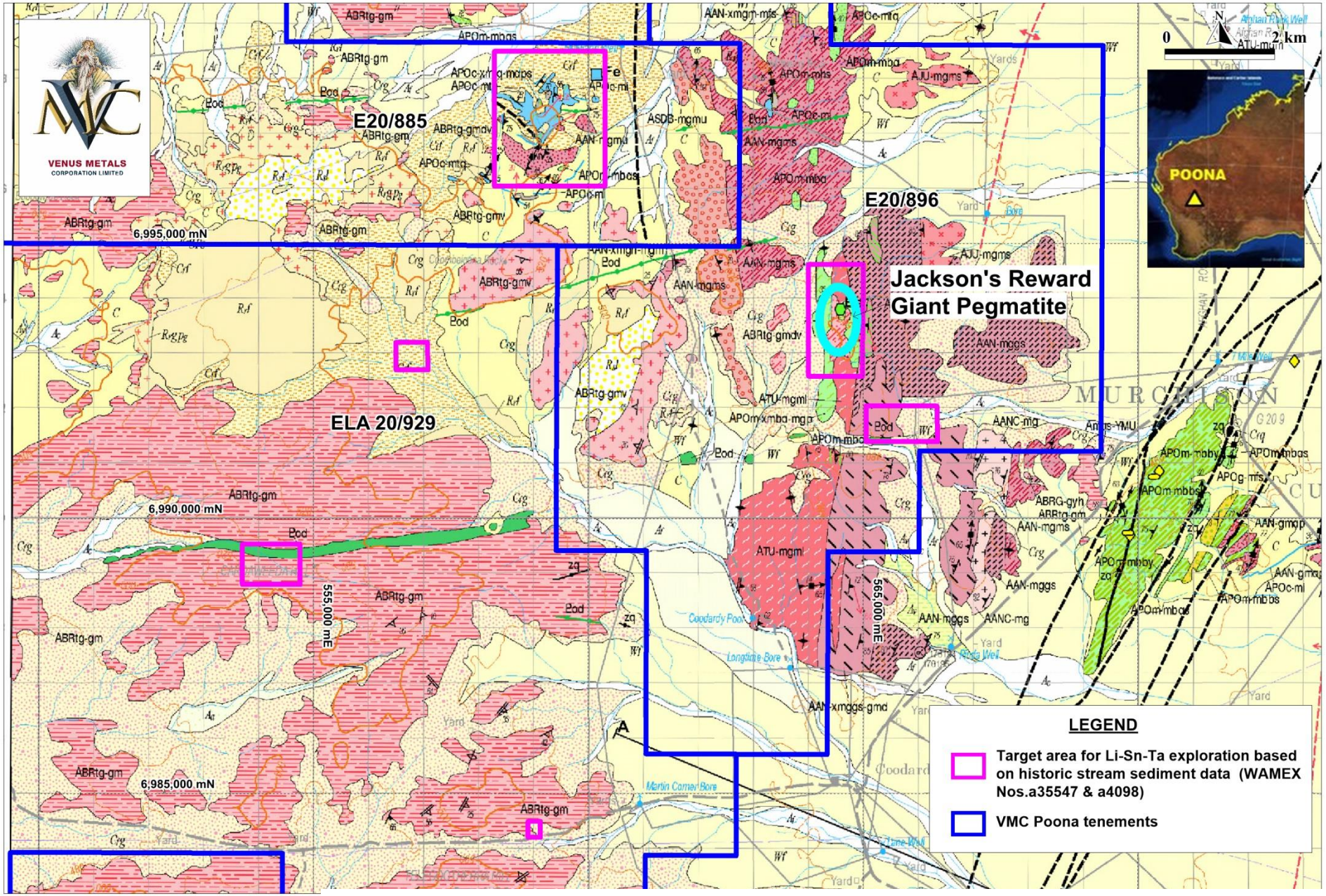

Figure 5. Target areas based on historical stream sediment Sn data at Poona on GSWA 100K Geology Map

Source: Stream sediment data by Pacminex Pty Ltd and Newcrest Mining Ltd, 1973 -1992, WAMEX Report Nos a35547 & a4098

Table 1-Details of RAB hole collars at Youanmi Currans Well

Hole_ID	Easting MGA94	Northing MGA94	Hole Depth_m	Dip	Prospect
MA11	671686	6812705	20	-90	Malbec
MA13	672336	6812705	24	-90	
MA14	672436	6812705	30	-90	
MA21	671836	6812605	18	-90	
MA22	671936	6812605	18	-90	
MA23	672036	6812605	16	-90	
MA24	672336	6812605	26	-90	
MA25	672436	6812605	30	-90	
MA31	671836	6812505	30	-90	
MA32	671936	6812505	20	-90	
MA33	672036	6812505	19	-90	
MA34	672336	6812505	18	-90	
MA35	672436	6812505	28	-90	
MA41	671836	6812405	20	-90	
MA42	671936	6812405	20	-90	
MA43	672036	6812405	10	-90	
MA44	672236	6812405	8	-90	
MA45	672336	6812405	12	-90	
MA46	672463	6812403	30	-90	
MA47	672536	6812405	20	-90	
MA51	671736	6812305	27	-90	
MA52	672356	6812305	20	-90	
MA53	672406	6812305	20	-90	
MA54	672456	6812305	27	-90	
MA55	672536	6812305	20	-90	
MA61	672356	6812205	20	-90	
MA62	672406	6812205	20	-90	
MA63	672456	6812205	20	-90	
MA64	672536	6812205	20	-90	
MA71	672336	6812105	20	-90	
MA72	672436	6812105	24	-90	
MA73	672536	6812105	20	-90	
V22	671349	6811700	12	-90	Vidure
V23	671448	6811698	32	-90	
V33	671352	6811581	30	-90	
V34	671402	6811581	32	-90	
V35	671444	6811589	36	-90	
V41	670926	6811496	26	-90	
V42	671247	6811496	21	-90	
V43	671347	6811497	36	-90	
V44	671397	6811497	36	-90	
V45	671447	6811497	29	-90	
V46	671563	6811498	40	-90	
V47	671663	6811506	36	-90	
V48	671766	6811507	30	-90	
V49	671866	6811507	15	-90	
V53	671346	6811399	36	-90	

Hole_ID	Easting MGA94	Northing MGA94	Hole Depth_m	Dip	Prospect
V54	671396	6811399	39	-90	
V55	671446	6811400	45	-90	
V57	671662	6811401	30	-90	
V58	671762	6811401	9	-90	
V63	671345	6811294	30	-90	
V64	671445	6811294	39	-90	
V66	671661	6811295	39	-90	
V67	671761	6811295	24	-90	
V74	671567	6811175	30	-90	
V75	671667	6811175	26	-90	
ME21	670262	6811974	20	-90	Merlot
ME22	670365	6811970	11	-90	
ME32	670359	6811889	20	-90	
ME33	670409	6811889	20	-90	
ME34	670459	6811889	18	-90	
ME42	670359	6811789	20	-90	
ME43	670409	6811789	20	-90	
ME44	670459	6811789	20	-90	
ME45	670520	6811790	24	-90	
ME52	670409	6811689	20	-90	
ME53	670459	6811689	20	-90	
ME54	670520	6811690	20	-90	
ME55	670620	6811690	20	-90	
ME61	670466	6811591	21	-90	
ME63	670620	6811590	30	-90	
ME70	670210	6811492	36	-90	
ME72	670359	6811491	39	-90	
ME74	670520	6811492	30	-90	
ME75	670620	6811492	39	-90	
ME81	670471	6811376	21	-90	

Table 2. Assay results of Currans Well RAB drilling (with lower cut-off of 400 ppm Co)

Hole ID	Sample ID	Interval (m)	From (m)	Co_avg (ppm)	Ni_avg (ppm)	Cr_avg (ppm)	Cu_avg (ppm)	Mn_avg (ppm)
MA53	2882	4	8	660	3850	1697	2075	3603
MA62	2897	4	8	455	2862	1543	424	2594
MA72	2918-2920	12	12	**860**	**5291**	3591	664	3990
ME72	2643-2645	12	12	475	**4854**	3799	269	2274
V34	2493-2495	12	12	**894**	**4391**	3033	3156	5545
	including sample 2493	**4**	**12**	**1905**	**4912**	3515	**4754**	**11773**
V35	2506	4	0	446	1799	1976	619	2107
V43	2472-2473	8	16	**826**	3693	4375	2532	6328
V44	2461	4	12	432	2548	3445	1612	5089
V44	2463	4	16	**933**	3746	4476	699	9264
V45	2453	4	8	446	3228	5965	1456	2568
V46	2448	4	28	456	1440	1309	528	5473

APPENDIX-1

JORC Code, 2012 Edition – Table1 for VMC's Youanmi / Currans Well (RAB drilling) and Greenbushes (surface sampling) Projects

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	**Youanmi / Currans Well (RAB drilling)** • Drill spoil for 1-metre intervals was collected in buckets under the cyclone and deposited on the ground. • Composite samples were collected generally for 4-metre intervals using a sampling spear. • In addition to the 4-metre composites, representative 1-metre samples were collected in geochem bags using a sampling spear. • The composite samples, averaging about 3-4 kg, were sent to Intertek Genalysis Lab, Perth for analysis. **Greenbushes (Surface sampling)** • Samples were chipped off outcropping rocks and rock float with a steel hammer. The average sample size is 2-3 kg which is deemed sufficient given the medium grain size of most rocks and the reconnaissance nature of this programme.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	**Youanmi / Currans Well (RAB drilling)** • Drilling was by rotary air blast (RAB) open hole using a drill bit with a diameter of 3-7/8" (98mm). All holes were drilled vertically (- 90^0) **Greenbushes (Surface sampling)** • Not applicable – no drilling used.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**Youanmi / Currans Well (RAB drilling)** • Visual assessment of the RAB samples showed good recovery with minimal loss or contamination. All drill samples were dry. • Cyclone cleaned between holes to minimize contamination. • Relationship between the sample recovery and grade is difficult to establish in this initial phase of drilling.

Criteria	JORC Code explanation	Commentary
		Greenbushes (Surface sampling) Not applicable – no drilling used.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	**Youanmi / Currans Well (RAB drilling)** • All drill holes were qualitatively logged in total by a company geologist recording lithologies and weathering. Small reference samples were collected in chip trays for further characterization. No geotechnical parameters recorded. **Greenbushes (Surface sampling)** • Brief visual sample descriptions of surface rock type and sample location were recorded.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**Youanmi / Currans Well (RAB drilling)** • RAB drill spoil samples for individual one-metre intervals were collected in a bucket from the rig-cyclone and deposited on the ground. For composite samples, two scoops (approx. 0.8-1kg in total) were taken from each individual pile with a sampling spear, placed in calico bags and labeled with respective Sample ID's. The amount of sample is considered adequate for the type of mineralization targeted. • Sample preparation was by Intertek Laboratories, Perth. Samples were dried and pulverized in total in LM5 mills to at least 85% passing -75 microns; digestion of an aliquot was by 4-acid digest followed by ICP-OES (4A/OE33) for 33 elements. **Greenbushes (Surface sampling)** Samples were taken from outcrops and float in the field. Sample preparation was by Nagrom, Perth. The samples were dried, crushed, riffle-split in excess of 3.5kg, and milled to 95% passing -75 microns.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their*	**Youanmi / Currans Well (RAB drilling)** • The Intertek, Perth laboratory assaying techniques utilized for analysis were appropriate for the submitted samples and the 4-acid digest is considered near-total. • Fire Assaying using a 50g aliquot and analysis by ICP-OES (FAA303) was used for analyzing Au for select composite samples.

Criteria	JORC Code explanation	Commentary
	derivation, etc. • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Intertek's quality control procedures comprise standards, blanks and duplicates. No additional standards or field duplicates were inserted by the company. **Greenbushes (Surface sampling)** • All analyses were done by Nagrom, Perth. Following a 4-acid near-total digest, elements were analyzed by ICP-MS and OES (ICP003). A subset of samples was also analyzed using a peroxide fusion digest followed by ICP-MS (ICP005).
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	**Youanmi / Currans Well (RAB drilling)** • All composite samples were taken under the supervision of a Company Geologist in the field. • Primary data were recorded on hard copy and transferred into the companies' electronic data storage. • No adjustments were made to assay data. **Greenbushes (Surface sampling)** • All surface samples were collected under the supervision of a Company Geologist in the field. • All surface sample data were recorded on hardcopy & GPS, and transferred into the companies' electronic data storage. • No adjustments were made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	**Youanmi / Currans Well (RAB drilling)** • A hand held GPS was used to determine collar positions. • The grid system is MGA_GDA94, zone 50 for easting, northing and RL. **Greenbushes (Surface sampling)** • A hand held GPS was used to determine sample locations. • The grid system is MGA_GDA94, zone 50 for easting, northing and RL.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	**Youanmi / Currans Well (RAB drilling)** • The drill holes were drilled along east-west oriented lines spaced 100m apart. • Not applicable as drilling was of a reconnaissance nature. • Composite samples were collected, generally for 4-metre intervals, using a sampling spear. At the end of holes, or where specific

Criteria	JORC Code explanation	Commentary
		lithology required so, shorter or longer intervals were composited. **Greenbushes (Surface sampling)** • Samples were taken at irregular spacing at accessible rock outcrops and rock float.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	**Youanmi / Currans Well (RAB drilling)** • All holes were drilled vertically and targeted supergene Ni-Co mineralization that is assumed to be sub-horizontal. **Greenbushes (Surface sampling)** • Orientation of data in relation to geological structure is not applicable to this type of reconnaissance surface sampling.
Sample security	• *The measures taken to ensure sample security.*	**Youanmi / Currans Well (RAB drilling)** • RAB samples were collected and properly secured in calico bags labeled with respective Sample ID's by field staff and the Company Geologist. • Five calico bags were placed in plastic bags and secured with zip ties. All plastic bags were then placed in a Bulka Bag and sent to Intertek Laboratory, Perth, by courier. **Greenbushes (Surface sampling)** • All samples were securely packed and transported to Perth by the Company Geologist.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	**Youanmi / Currans Well (RAB drilling)** • During this reconnaissance exploratory phase of drilling, no audits of sampling techniques have been conducted. **Greenbushes (Surface sampling)** • No audits or reviews of sampling procedures have been conducted.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	**Youanmi / Currans Well (RAB drilling)** • Exploration Licenses (E57/1011, E57/986 and P57/1365) were granted by DMIRS (previously DMP). All these three tenements are 90% owned by Venus Metals Corporation (VMC) and 10% by prospector Mr Bruce Legendre.

Criteria	JORC Code explanation	Commentary
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	**Greenbushes (Surface sampling)** • The exploration tenements E70/4810 and E70/5023 were granted by DMIRS (previously DMP) and are 100% owned by VMC.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	**Youanmi / Currans Well (RAB drilling)** • Historical exploration data (Diamond, RC, PER, RAB), and geophysical and geological data by previous companies were utilised for drill planning and targeting. **Greenbushes (Surface sampling)** • Regional exploration for Sn-Ta was carried out in the 1970s and the CSIRO-AGE geochemical database, using laterite as the principal sample medium is the most significant historical information.
Geology	• *Deposit type, geological setting and style of mineralisation.*	**Youanmi / Currans Well (RAB drilling)** • The project area is located within the western part of the Youanmi greenstone belt, which comprises two parts separated by the Youanmi intrusion. In the Currans Well area, the dominant lithologies comprise pyroxenitic gabbro interlayered with serpentinite, metamorphosed dolerite, metamorphosed banded chert interlayered with psammitic rocks. Biotite- and muscovite-rich monzogranite with abundant pegmatite veins are exposed below the pyroxenite gabbro towards the east. The pyroxenite gabbro and banded chert interlayered with rhyolite schist, in this area, are associated with base metals, Ni and platinum group elements. The tenement area is covered by extensive colluvium, ferruginous gravel and ferruginous duricrust. • The current shallow RAB drilling programme explored the ferruginous regolith, mainly lateritic duricrust and upper clay zone, for supergene, lateritic Co-PGE-Ni mineralization. **Greenbushes (Surface sampling)** • The predominant lithologies in the Bridgetown region comprise amphibolite- to granulite-facies gneiss, schist, quartzite, BIF and ultramafic rocks of the Archean Balingup Metamorphic Belt (“BMB”). The Greenbushes Li-Sn-Ta deposit lies within the BMB which forms the southern portion of the Western Gneiss Terrain. The Greenbushes pegmatite (rare-metal zoned pegmatite with numerous

Criteria	JORC Code explanation	Commentary
		smaller pegmatite dykes and footwall pods) intrudes rocks of the BMB and lies within a 15-20km wide, north to north-west trending lineament, the Donnybrook-Bridgetown Shear Zone. VMC explores for pegmatite-hosted, Greenbushes-style Li-Ta-Sn mineralization within the BMB.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	**Youanmi / Currans Well (RAB drilling)** • For drill hole collar data see Table 1. **Greenbushes (Surface sampling)** • Not applicable – no drilling used.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	**Youanmi / Currans Well (RAB drilling)** • Arithmetic means were used for reporting aggregated intervals of composite samples. For reporting of assay results, lower cut-offs of 400ppm Co and/or 4000 ppm Ni were applied (Table 2). **Greenbushes (Surface sampling)** • No data aggregation methods or averaging was used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	**Youanmi / Currans Well (RAB drilling)** • Reported intersections of mineralization in the drill holes represent downhole lengths, and true thickness and width of mineralisation is yet to be established. **Greenbushes (Surface sampling)** • Mineralization width and intercepts are not applicable to surface sampling.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of*	**Youanmi / Currans Well (RAB drilling)** • See figures in the body of the announcement.

Criteria	JORC Code explanation	Commentary
	drill hole collar locations and appropriate sectional views.	**Greenbushes (Surface sampling)** • See figures in the body of the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	**Youanmi / Currans Well (RAB drilling)** • All drill holes are listed in Table 1 and are shown in Figure 1. Holes with assay results above the cut-off of 400ppm Co and/or 4000 ppm Ni are highlighted. **Greenbushes (Surface sampling)** • All surface sample locations are shown in Figure 3.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	**Youanmi / Currans Well (RAB drilling)** • The current exploration drilling was targeting mainly lateritic Co-Ni - PGE mineralisation based on historical drilling results. The drilling was aimed at understanding the trend and lateral distribution of mineralization reported from historic drill holes in the vicinity. Historic records and reports of historic work by previous companies are available via the WAMEX open file system, specifically a5392 (WMC), a75836 (Goldcrest Mines Ltd), a45180 (Goldmines of Australia Ltd) and a78024 (Ellendale Resources Ltd). **Greenbushes (Surface sampling)** • Recent assessment of the CSIRO-AGE geochemical database revealed a significant Sn anomaly in laterite that constitutes a new exploration target, open to the west and not assessed for its lithium potential.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	**Youanmi / Currans Well (RAB drilling)** • The RAB drilling results identified several significant intersections of Ni-Co mineralisation that require follow-up work. • It is intended to analyze select one-meter RAB intervals for Ni, Co, Cu, Pt and Pd, then model and review all current and historic drill data. The outcomes will determine the extent of further work, possibly including some RC drilling to also test bedrock Ni-Cu targets. **Greenbushes (Surface sampling)** • Further mapping and rock chip, soil and laterite sampling is planned to identify drill targets.

Details of Mining tenements at Quarter ended 31 December 2017			
(ASX Listing Rule 5.3.3)			
Tenement ID	**Project Location in WA**	**% of Interest at the beginning of quarter**	**% of Interest at the end of quarter**
R59/1	Yalgoo	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E59/1508-I	Yalgoo	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E59/2187	Yalgoo	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E57/983	Youanmi	100%	100%
E57/986	Youanmi	90%	90%
E57/984	Bellchambers/Sandstone	90%	90%
E57/965	Sandstone	100%	0%
E57/1011-I	Currans Well	90%	90%
P57/1365	Youanmi	90%	90%
P57/1366	Youanmi	90%	90%
E57/1019-I	Pincher Well	100%	100%
E52/3068	Rathbone Well	100%	100%
E52/3069	Curara Well	100%	100%
E57/985	Youanmi	90%	90%
E20/885	Poona	90%	90%
E20/896	Poona	0%	100%
E57/981	Bellchambers/Sandstone	100%	100%
E57/982	Youanmi	100%	100%
E57/1023-I	Youanmi	100%	100%
E57/1018	Pincher Well	100%	100%
E 45/4627	Wodgina South	100%	100%
P 45/3004	Wodgina South	100%	100%
E 52/3320-I	Orient Well (Curara East)	100%	100%
E 70/4810	Greenbushes East	100%	100%
E 70/4814	Greenbushes East	100%	100% (reduced from 122 blocks to 39 blocks)
E09/2156	Nardoo Hill	100%	100%
E45/4630	Pilgangoora East	100%	100%
E45/4684	Pilgangoora East	100%	100%

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

VENUS METALS CORPORATION LIMITED

ABN	**Quarter ended ("current quarter")**
99 123 250 582	31 December 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(164)	(328)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(125)	(224)
	(e) administration and corporate costs	(188)	(259)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(476)**	**(809)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2)	(2)
	(b) tenements (see item 10)	-	-
	(c) investments	-	(30)
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(2)**	**(32)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	639
3.2	Proceeds from issue of options	512	512
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(24)	(24)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**488**	**1,127**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	814	538
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(476)	(809)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(32)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	488	1,127
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**824**	**824**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	824	814
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**824**	**814**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	63
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors' salaries, fees and superannuation

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	150
9.2	Development	-
9.3	Production	-
9.4	Staff costs	60
9.5	Administration and corporate costs	80
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**290**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer attachment		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer attachment		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 31/01/2018
(Company secretary)

Print name: Dean Calder

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.